

Skilled Trades Training Fund Frequently Asked Questions



These FAQs were developed as a supplement to the Skilled Trades Training Fund (STTF) Program Overview. Questions regarding the STTF FY16 can be directed to your local Michigan Works! contact found [here](#).

1. What are the application deadlines for the STTF program?

Applications may be submitted throughout the year.

2. How will I be notified about the status of my application?

The Workforce Development Agency (WDA), which administers the STTF, will keep Michigan Works! Agencies (MWAs) informed of the status of their proposals within three working days from the date of receipt of a complete and accurate application.

3. How are eligible businesses identified?

Any of the following partners can identify eligible businesses that have a documented need for talent:

- WDA
- Michigan Economic Development Corporation
- MWAs
- Local Economic Developers
- Michigan Community Colleges and other training providers

4. Who can submit an STTF application?

MWAs will submit applications on behalf of local partners to ensure all available funding (federal, state, private) is identified and utilized in a strategic, braided manner.

5. Who will be awarded STTFs?

The local MWAs will be awarded STTFs and will administer the training consistent with the approved application and training plan.

6. Who is an eligible business?

Any private or non-profit business is eligible to apply; governmental agencies and institutions are ineligible to apply. Businesses must have a Michigan presence, be in compliance with all federal and state tax obligations, including but not limited to corporate, sales, use, withholding, personal income, and unemployment insurance taxes; and, be willing to participate under the project's eligibility parameters and guidelines.

Businesses that have multiple locations must complete an application for each location that is applying. Funding is not guaranteed for every application. Additionally, a location may only receive one award per Fiscal Year.

7. Who is an eligible training provider?

Michigan Community Colleges and other training providers identified by, and agreed upon by all partners that can do accelerated "just-in-time" training. Proprietary schools must be licensed in Michigan, see question #42 for additional details.

8. Who is an eligible trainee?

Trainees can be any Michigan resident, 18 years of age or older. Trainees, both current employee(s) and individuals to be hired, must be permanent, full-time employees of the business.

9. What types of training are allowable?

Classroom training that leads to a credential that is transferable and recognized by the industry is allowed. On-site training, with wage reimbursement for individuals to be hired and USDOL Registered Apprenticeship training for new apprentices, are also allowed.

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A new apprentice is defined as any individual who begins a USDOL Registered Apprenticeship at any point within the three months prior to company completing an STTF application, or any individual not currently in a USDOL Registered Apprenticeship. This could be a current employee or a new employee.

10. What are allowable training expenditures?

Allowable training expenditures include the actual costs for the classroom, on-site training with wage reimbursement for individuals to be hired, and USDOL Registered Apprenticeship training, as well as any other reasonable cost required for the successful completion of training. (For example, a training provider may quote a fixed amount for training that includes the cost of their travel.)

11. What is the role of business(es) participating in the STTF?

Please refer to the STTF Overview for expectations of business(es).

12. Is there a maximum amount for a request?

No; however, companies need to drill down to the critical need/demand. It has been demonstrated that large grant awards are difficult for companies to successfully complete.

13. Can a training provider submit an application?

No, all applications must be submitted by a Michigan Works! Agency.

14. Can training only take place in Michigan?

Preference is for training to be completed in Michigan. If there is a documented need and rationale for training to occur out-of-state, and the local MWA is supportive of the proposal, it may be submitted for consideration.

15. What is an appropriate length of training?

With the exception of USDOL Registered Apprenticeships, training should be accelerated: three months or less, with all training being completed within six-months.

16. Since Registered Apprenticeships are not short-term training, how is it envisioned that STTF be utilized?

STTF can help with Registered Apprenticeship start-up to offset some of the employer(s) costs.

17. Will classroom training be paid prior to the start of training?

No, payment will be made after training has been completed.

18. What is the definition of “skilled trade?”

Examples of skilled trade occupations in Michigan may be found in the [Employment and Occupations in the Skilled Trade in Michigan](#) report, issued June 2013. Eligible occupations are NOT limited to this report; it can be any documented need that will assist an employer to expand and grow.

19. Can the names of the trainees change between application and start of training?

There will be times when employers identify workers other than those originally planned. This is not the desire, but it may occur. **Names cannot change once training begins.**

20. Can STTF be used for travel costs to send someone to training?

No, STTFs can be used for training costs only.

21. Is there a minimum number of hours in which the training must occur?

No, there is not a minimum number of hours or weeks in which training must occur.

22. Must business(es) provide a prevailing wage for participants?

Following the completion of training, employers must pay wages that are equal to, or greater than, the current regional labor market occupational wage for the applicable job title.

23. How does a business(es) document “demand?”

By working with the MWA to determine whether the skill sets needed are available in the current labor pool.

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24. **Our business is on the border of Michigan, and we employ non-residents, can we train non-residents with STTF?**
STTF is for Michigan residents only.
25. **What is a NAICS code?**
The North American Industry Classification System (NAICS) has replaced the US Standard Industrial Classification (SIC) system. The NAICS was developed jointly by the United States, Canada, and Mexico to provide comparability in statistics about business activity across North America. You can access NAICS codes at: <http://www.census.gov/eos/www/naics/>
26. **Can STTFs be used to purchase equipment?**
No, STTFs cannot be used to purchase equipment. However, equipment purchased by a business and used during the training of participants should be counted as an employer contribution.
27. **Can STTFs be used for curriculum development?**
No.
28. **What is the allowable cost per trainee in an STTF project?**
The cap per trainee is \$1,500 for all training, except USDOL Registered Apprenticeships, which is \$3,000 per trainee.
29. **Can STTFs be used to pay for training that is delivered through distance learning?**
Distance or on-line training is allowable only if the training cannot be obtained locally or within a reasonable travel distance.
30. **An employer has professional trainers on staff, and the majority of the training material is exclusive (proprietary). Is it allowable for the employer to provide all of the training and be reimbursed directly for the training?**
Such training will be reviewed and approved on a case-by-case basis, so long as demand is adequately documented.
31. **What is exclusive training?**
Exclusive training is training that is owned and controlled by the business and/or third-party training provider and is subject to laws such as copyrights, patents, or trademarks. The control of the training curriculum usually is retained by the business or third-party training provider. It may be training on resources or equipment that is exclusive to a single business process. A business that wants to use its own training curricula in an STTF project must demonstrate a lack of capacity, or inability, to meet its own demand. An application must also explain why the business' infrastructure cannot support its training needs without the assistance of an STTF grant.
32. **Can a business participate in multiple STTF projects?**
No. Businesses may only participate in one STTF project per Fiscal Year (October-September) per location.
33. **How soon after the application is approved should training start?**
Training should begin within four - six weeks from application approval.
34. **Can we use STTF for wage replacement of a current employee?**
No. The wages can be used as a company contribution.
35. **Who do we submit the STTF application to?**
Companies submit their applications to the MWAs. The MWAs will review and then submit application to the WDA.
36. **Can more than one employer be involved in an STTF project?**
Yes, we encourage collaborative or consortium efforts to reduce training costs.

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37. Can a request for a consortium of employers cross MWA boundaries?

Yes, the lead MWA will be the sponsoring MWA of the application.

38. How will a business be paid for the training?

The MWA will submit an invoice, along with all required documentation, to the WDA to request payment. The WDA will reconcile the request with the application/training plan that was approved and make payment to the MWA. The MWA will then pay the training institution and/or employer.

39. How long will it take for payment to be received?

It could take up to ten business days for payment to be received by the MWA.

40. Can companies submit an application that has training for individuals to be hired, as well as current employee(s)

41. Yes, it is acceptable that an application has all types of training included (classroom, on-site with wage reimbursement for individuals to be hired, and new USDOL Registered Apprenticeship training).

42. What is the definition of on-site training with wage reimbursement?

On-site training activities are training services provided to eligible trainees via an agreement between the MWA and the employer. Training is conducted at the worksite. Employers must commit to retaining the trainee at the end of a successful training.

43. Must training be provided by a licensed training provider?

Any proprietary institution providing training must comply with Public Act (PA) 148 of 1943, Private Trade Schools, Business Schools and Institutes, which includes:

MCL 395.101 Sec. 1. (1) A person shall not operate a proprietary school in this state without a temporary permit or license from the department under this act. The department shall prescribe the form of license and temporary permit. MCL 395.101a (b) "Person" means an individual, partnership, corporation, limited liability company, association, organization, or other legal entity. (c) "Proprietary school" means a school that uses a certain plan or method to teach a trade, occupation, or vocation for a consideration, reward, or promise of any kind. Proprietary school includes, but is not limited to, a private business, trade, or home study school. Proprietary school does not include any of the following:

- (i) A school or college possessing authority to grant degrees.
- (ii) A school licensed by law through another board or department of this state.
- (iii) A school maintained or a program conducted, without profit, by a person for that person's employees.

If it is determined locally that an institution identified to provide training under the STTF requires licensing, the forms necessary to begin the licensing process can be obtained at the following address:

http://www.michigan.gov/lara/0,4601,7-154-61343_35414_60647_2739---,00.html

44. Can an employer apply through an MWA other than the one in their area?

Yes, we see this when a company is on a border of a county, or they have multiple locations. A company may choose to work with an MWA of their choice. The sponsoring MWA must notify the local MWA of the application and obtain a letter or e-mail of support that will accompany the application.

45. Is there a minimum number of trainees required to complete an application?

No, an application may be submitted to train one individual.